

About the Agency

NCEMPA is a state-chartered municipal corporation formed in 1976 by cities that owned and operated electric distribution systems but did not own generating or transmission facilities. At that time, the cities were wholesale customers of either Progress Energy Carolinas, Inc. (PEC) or Dominion North Carolina Power.

NCEMPA completed the sale of all of the electric generating and other assets it jointly owned with DEP to DEP on July 31, 2015. Contemporaneously with the sale of the jointly owned facilities NCEMPA entered into a full requirements power supply contract (FRPPA) with DEP. In connection with the asset sale, bonds were issued ("the 2015 Bonds") to provide funds, together with proceeds of the asset sale and other funds available to NCEMPA, to pay the cost to retire or defease all of the outstanding Power System Revenue Bonds issued under Resolution R-2-82.

Management services for the NCEMPA Agency are provided by ElectriCities of North Carolina, Inc.

NCEMPA Officers

Troy Lewis, Tarboro, Chairman
Mayor Stephen W. Tripp, Ayden, Vice Chairman
Doug Mercer, Washington, Secretary-Treasurer

NCEMPA Participant Cities

- Apex
- Ayden
- Belhaven
- Benson
- Clayton
- Edenton
- Elizabeth City
- Farmville
- Fremont
- Greenville
- Hamilton
- Hertford
- Hobgood
- Hookerton
- Kinston
- La Grange
- Laurinburg
- Louisburg
- Lumberton
- New Bern
- Pikeville
- Red Springs
- Robersonville
- Rocky Mount
- Scotland Neck
- Selma
- Smithfield
- Southport
- Tarboro
- Wake Forest
- Washington
- Wilson



Q2 2019

Second Quarter Performance

Sales of electricity to Members increased \$5,747,000 (4.4%) compared to the second quarter of 2018. Billed demand increased 169 MW (5.5%) due to higher coincident peaks and contributed \$3,698,000 to the increase. Billed energy decreased by 10,822 MWh (0.6%) due to milder weather conditions in the second quarter of 2019 and slightly offset the increase by \$270,000. An overall rate increase of 1.2% effective April 1, 2019 contributed \$2,553,000 to the increase.

Purchased Power costs increased \$16,436,000 (15.0%) compared to the second quarter of 2018 primarily due to a higher FRPPA true-up charge and Coal

Combustion Residual Costs received in the second quarter of 2019. A 2018 FRPPA true-up charge of \$13,400,000 was received in the second quarter of 2019 compared to a 2017 FRPPA true-up charge of \$921,000 received in the second quarter of 2018. Higher Coal Combustion Residual Costs in the second quarter of 2019 further contributed \$4,396,000 to the overall increase.

Financing Status

As of June 30, 2019, NCEMPA had outstanding \$308,260,000 in bonds. The weighted average interest cost of the NCEMPA outstanding debt at the end of the quarter was 3.7%. To date, NCEMPA has had \$113,170,000 in debt redeemed prior to or at maturity.

NCEMPA Statement of Net Position

Per accounting principles generally accepted in the United States of America (GAAP)
(Unaudited) (\$000's)

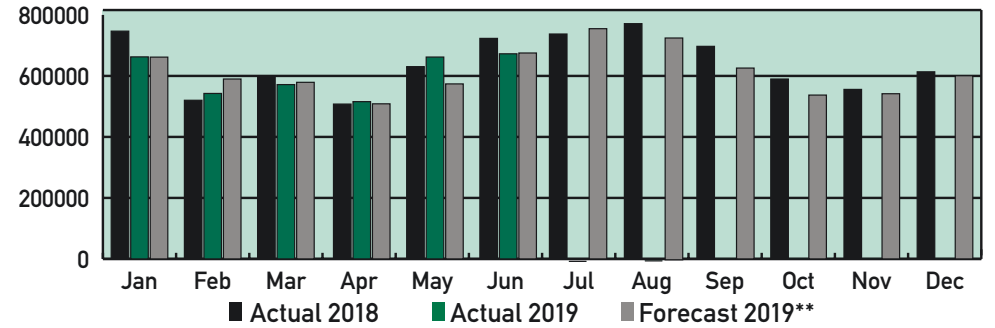
	June 30, 2019	June 30, 2018		June 30, 2019	June 30, 2018
Assets			Deferred Outflows of Resources		
Non-Current Assets			Unamortized debt issuance costs		
Capital Assets:			Cost to Be Recovered		
Electric Utility Plant, Net:				\$813	\$1,031
Electric plant in service	\$14,664	\$14,664		230,063	288,964
Construction work in progress	14,144	104		<u>230,876</u>	<u>289,995</u>
Less accumulated depreciation and amortization	(2,863)	(2,297)	Total Deferred Outflows of Resources		
Total Electric Utility Plant, Net	<u>25,945</u>	<u>12,471</u>			
Non-Utility Property and Equipment, Net:			Liabilities		
Property and equipment	2,254	2,254	Non-Current Liabilities:		
Less accumulated depreciation	(1,291)	(1,251)	Long-Term Debt:		
Total Non-Utility Property and Equipment, Net	<u>963</u>	<u>1,003</u>	Bonds payable		
Total Capital Assets	<u>26,908</u>	<u>13,474</u>		268,195	308,260
Restricted Assets:			Total Long-Term Debt		
Special Funds Invested:				<u>268,195</u>	<u>308,260</u>
Bond fund	58,274	57,546	Total Non-Current Liabilities		
Contingency/Reserve & Contingency fund	5,202	5,115		268,195	308,260
Revenue fund (new)	2,334	1,441	Current Liabilities:		
Total Special Funds Invested	<u>65,810</u>	<u>64,102</u>	Operating Liabilities:		
Total Restricted Assets	<u>65,810</u>	<u>64,102</u>	Accounts payable		
Total Non-Current Assets	<u>92,718</u>	<u>77,576</u>		60,430	71,787
Current Assets			Accrued taxes		
Funds Invested:			Total Operating Liabilities		
Supplemental fund	125,277	170,009		60,430	71,787
Total Funds Invested	<u>125,277</u>	<u>170,009</u>	Special Funds Liabilities:		
Member/Participant accounts receivable	48,884	52,120	Current maturities of bonds		
Plant materials and renewable certificate inventory	11,982	9,188		40,065	39,280
Prepaid expenses	2,862	2,712	Accrued interest on bonds		
Total Current Assets	<u>189,005</u>	<u>234,029</u>		5,378	5,771
Total Assets	<u>\$281,723</u>	<u>\$311,605</u>	Total Special Funds Liabilities		
				<u>45,443</u>	<u>45,051</u>
			Total Current Liabilities		
				<u>105,873</u>	<u>116,838</u>
			Total Liabilities		
				<u>374,068</u>	<u>425,098</u>
			Deferred Inflows of Resources		
			Collections to be expended		
				23,537	23,537
			Total Deferred Inflows of Resources		
				<u>23,537</u>	<u>23,537</u>
			Net Position		
			Net invested in capital assets		
				26,908	13,474
			Restricted for debt service		
				3,159	1,822
			Unrestricted		
				<u>84,927</u>	<u>137,669</u>
			Total Net Position		
				<u>\$114,994</u>	<u>\$152,965</u>

NCEMPA Statements of Revenues and Expenses

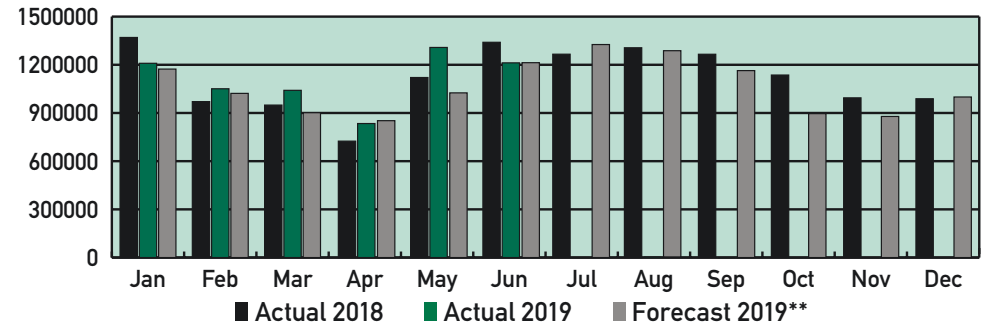
Per bond resolution and other agreements
(Unaudited) (\$000's)

Revenues	Quarter Ended June 30		Year-to-Date June 30	
	2019	2018	2019	2018
Sales of electricity to participants	\$ 135,209	\$ 129,462	\$ 265,453	\$ 263,059
Investment revenue available for operations	621	744	1,291	1,390
Total Revenues	135,830	136,092	266,744	270,335
Expenses				
Operation and maintenance	424	24	517	114
Fuel	215	135	390	231
Power coordination services:				
Purchased power	108,339	107,930	224,421	230,364
Transmission and distribution	5,737	5,891	11,705	12,150
Other	11,892	(4,289)	10,556	(11,360)
Total Power Coordination Services	125,968	109,532	246,682	231,154
Administrative and general - Agency	5,005	3,312	8,029	5,985
Debt service	12,705	12,705	25,410	25,410
Total Expenses	144,317	125,708	281,028	262,894
Net Position increase (decrease)	(8,487)	10,384	(14,284)	7,441
Net Position, beginning of period	123,481	142,581	129,278	145,524
Net Position, end of period	\$114,994	\$152,965	\$114,994	\$152,965

NCEMPA Participant Energy Usage* (in MWh)



NCEMPA Participant CP Demand* (in kW)



NOTE: * NCEMPA Energy and CP Demand are at the Power Agency to City Billing Point and includes the SEPA allocation. Actual data is not weather normalized.

** The Forecast Year 2019 data is from the NCEMPA 2018 Load Forecast.